

## ***NEWS RELEASE***

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### **DeNUCCI CALLS FOR STRONGER MONITORING AND STATE FUNDING OF FUEL ASSISTANCE PROGRAM**

State Auditor Joe DeNucci today called for improved monitoring of the state's low-income fuel assistance program to make sure that aid goes only to those most in need, and also recommended creation of a "rainy day" reserve fund to ensure that eligible families have adequate home heating fuel during severe winters.

DeNucci, in an audit of the Low Income Home Energy Assistance Program (commonly known as the Fuel Assistance Program), reported that the program's income verification procedures need strengthening. Although the report concluded that local administering authorities have followed state guidelines for fuel assistance, there are indications that some recipients may have had sources of income that were not disclosed in their applications.

For example, some recipients lived in homes with high assessed values, one of which was \$989,000. Other recipients were able to obtain financing for their homes or reported insufficient income to meet their basic living expenses, indicating they may have under-reported their income to local authorities when applying for fuel assistance.

To better ensure that fuel assistance goes only to the most deserving households, DeNucci said local authorities should consider obtaining income tax returns and mortgage and real estate tax statements from applicants. Also, the state Department of Housing and Community Development (DHCD) should strengthen its required responsibility to review and verify eligibility.

DeNucci's report noted that fuel assistance subsidies have not kept pace with fuel consumption and rising fuel costs during recent winters. The federal government provided \$73 million to the Fuel Assistance Program last year. However, although the program serves 136,000 households (up 29 percent from five years ago), the state has not appropriated any funds for fuel assistance since 2000.

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With the possibility that another cold winter and sharply rising energy costs could create a substantial financial hardship for families who depend on the program, DeNucci recommended that DHCD seek an appropriation to create a reserve fuel assistance fund which would be tapped only during the most severe winters, and only after all federal funding for the program has been used up.

“If things get really bad, a ‘rainy day’ fund would protect eligible families from having to make a difficult choice between heating their homes or providing their other basic needs,” said DeNucci.

Households with incomes of up to 200 percent of the poverty level are eligible for the fuel assistance program. Last year, the average amount of assistance per household was \$465 (out of an average total fuel cost of \$1,100). The program is administered through DHCD with funds distributed by 22 local administering agencies.

“With the federal government predicting a sizeable increase in the cost of home heating oil over the next few months, Massachusetts should take all possible steps to protect eligible low-income families from a home heating crisis this winter,” concluded DeNucci.